

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Adult Social Care and Public Health
Date of Decision:	28 January 2014
Decision Title:	Revenue Budget Report for Public Health for 2014/15
Decision Reference:	5532
Report From:	Director of Public Health and Director of Corporate Resources

Contact name: Ruth Milton and Anne Hibbert

Tel: 02380 383331 or 01962847533 **Email:** ruth.milton@hants.gov.uk or anne.hibbert@hants.gov.uk

1. Executive Summary

- 1.1. The County Council's early action in tackling its forecast budget deficit over the current Comprehensive Spending Review (CSR) period has placed it in a very strong position to produce a 'steady state' budget for 2014/15 and give itself the time and capacity to develop and implement the next phase of savings by 2015/16.
- 1.2. This report proposes a budget for Public Health for 2014/15 in accordance with the Council's Medium Term Financial Strategy (MTFS) reported to Cabinet in July. Specific budget proposals are outlined in section 4 and Appendix 2 to this report. The proposed budget for 2014/15 analysed by service is shown in Appendix 1 and the workforce implications of the budget proposals are set out in section 6.
- 1.3. The report also provides an update on the financial position for the current year. For Public Health, the outturn position is forecast to be within its ring-fenced grant.
- 1.4. The framework for delivery of savings against the 2015/16 budget will be formally recommended as part of the overall budget proposals presented to Cabinet and Council in February, but are outlined for information in this report.
- 1.5. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2013/14 and proposals for the 2014/15 budget for Public Health. The report has been prepared in consultation with the Executive Member and will be reviewed by the Health Overview and Scrutiny Committee. It will be reported to the Leader and Cabinet on 7 February 2014 to make final recommendations to County Council on 20 February 2014.

2. Context and Priorities

- 2.1. The Health and Social Care Act (2012) gave upper tier and unitary local authorities, hence Hampshire County Council, a new duty as of April 2013 “to take steps to improve the health of the people in their area”, as well as protecting the public’s health and the responsibility for a range of public health functions that were previously discharged or commissioned by Primary Care Trusts. A ring fenced public health grant is being provided from the national public health resource, to give local authorities the funding needed to discharge their new public health responsibilities.
- 2.2. Hampshire has been awarded a public health grant for 2013/14 of £36.753 million and for 2014/15 of £40.428 million to reflect the public health needs rather than historical spend which has been historically low in Hampshire.
- 2.3. The quantum of the Public Health grant for 2015/16 is not known at this time, however, as this grant is funded by the Department of Health which has been protected from real term cuts in recent years, for planning purposes it is assumed that the Public Health grant will continue at a similar level to 2014/15 in 2015/16.
- 2.4. The new health premium will be designed to reward communities for making progress against certain indicators particularly which are in the Public Health Outcomes Framework. The selected health premium indicators will be communicated to local authorities by March 2014. The first incentive payment will be in the year 2015/16 to ensure local authorities are rewarded for improvements made since assuming responsibility for public health. Once more details are known the County Council will build this into further planning.
- 2.5. As part of the transformation programme, the County Council has been developing its ‘Shaping Hampshire’ plan, signalling the County Council’s intention to further transform and shape services for the future.
- 2.6. Public Health has been developing business plans and budgets for 2014/15 and future years in keeping with the ‘Shaping Hampshire’ priorities and the key issues, challenges and priorities for the department are set out below.

Departmental Challenges and Priorities

- 2.7. A benefit of moving responsibility for local leadership of public health to local authorities is the opportunity to focus on addressing the local need rather than working to deliver nationally identified targets that may not be an issue locally. However, there is government recognition that some of the public health functions need to be consistent across the country and it is these; sexual health services, health protection, public health advice to NHS commissioners, national child measurement programme and NHS healthchecks; that are mandated as described in Regulations.
- 2.8. Within this context, on-going priorities for Public Health in Hampshire include:

- Efficient delivery of the statutory public health duties for the Council, embarking on a re-procurement schedule through which to maximise in house delivery where appropriate and best value, high quality commissioned services. The impact of inflation in the health sector often exceeds the national consumer price index and is an important point of consideration in contract negotiation and procurement processes.
- Ensuring current public health services meet need and are delivered against national quality standards including:
 - A children's public health nursing service that delivers the national standard to support physically and mentally healthy children and young people
 - Oversight of NHS commissioned screening and immunisation services
 - Adequate capacity and capability to provide the necessary public health advice to NHS commissioners
 - Coordinated primary and secondary prevention through adequate nutrition, education and physical activity of all sorts to support employable and self reliant citizens
- Using public health resources to support healthy children through a range of interventions for children and young people including mental wellbeing through parenting programmes
- Delivering an effective, quality assured NHS healthchecks programme to contribute to significant reductions in year on year dementia (about half of dementia is attributable to cardiovascular risk factors)
- Supporting drug and alcohol service to meet changing needs for people of all age, applying the proportion of the public health grant specified for these purposes.
- Addressing social exclusion, public health aspects of domestic abuse and community safety for people of all ages.
- Enabling the maintenance of healthy life expectancy for working age people, acknowledging HCC as a large employer and leading by example as a healthy workplace
- Supporting the health and social care interventions for people as they age and become more vulnerable.

3. 2013/14 Budget

- 3.1. The current financial year commenced as a stabilisation year and Cabinet agreed a baseline budget to meet the commitment for transferred staff and existing contractual obligations within the grant allocation. In July 2013, Cabinet agreed a range of further proposals for 2013/14 and 2014/15 focussed upon improving the health of Hampshire citizens, working

towards key public health outcome measures, aligning with existing Council priority programmes and maximising transformational opportunities across the Council. In December 2013, Cabinet agreed a further allocation for an additional existing financial commitment required to deliver a mandated Public Health service. This report recommends further proposals regarding the remaining £1.6m unallocated grant for 2013/14. The proposals, which are detailed in Appendix 2 and are summarised below, achieve further integration of public health priorities with existing County Council programmes.

2013/14 one-off proposals	£'000
Substance misuse	140
Children 5 -19	200
Health improvement and wellbeing	1,260
Total proposals	1,600

- 3.2. The budget for the department has been updated throughout the year and the revised budget is shown in Appendix 1. The expected outturn forecast for 2013/14 is within the grant.
- 3.3. Public Health is forecasting a pressure against the allocated sexual health budget. The primary reason for this pressure is higher than anticipated spend relating to an increase in sexual health service use at one provider although this is expected to be balanced by a similar lower spend at the main provider. However this is in the context of a nationally documented year on year increase in the use of such services. Public Health will ensure that spend in controllable areas is managed proactively and to seek to offset the pressure relating to sexual health by the end of the year.
- 3.4. Whilst it is acknowledged that the grant is intended to be used within year, due to 2013/14 having been a transition year, plans that have been developed to use the balance of the Public Health grant may not be fully implemented before the end of March. Should any balance remain unspent, that element will be carried forward into 2014/15.

4. Budget 2014/15

- 4.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each portfolio. The cash limit for Public Health matches the ring-fenced Government grant of £40.4 million
- 4.2. As approved by the Executive Member for Health and Wellbeing in September 2013, a review of existing service and contractual commitments is on-going together with a phased re-procurement and letting of contracts in order to ensure the best use of resources to optimise outcomes for the residents of Hampshire. While this review progresses, a continuation of

the Public Health baseline budget of £29.6m together with the further £2.0m allocation for items which underpin the full implementation/delivery of public health mandated functions which have emerged during the transition period is proposed.

- 4.3. In addition, Cabinet in July 2013 approved the one-off allocation of £3.981 million from the ring-fenced Public Health grant to support a range of activities in 2014/15 that will make a real difference to the health of residents in Hampshire.
- 4.4. Appendix 2 to this report makes proposals for recurring use of the Public Health grant totalling £855,000 to provide support focusing on school aged children, parenting skills and to resource the mandated healthchecks programme and also the contract re-procurement programme over the next three years. It also proposes one-off use of the 2014/15 grant totalling £3.950 million. These are detailed in Appendix 2 and summarised below.

2014/15 one-off proposals	£'000
Substance misuse	140
Nutrition, obesity and physical activity	650
Children 5 - 19	400
Health improvement and wellbeing	2,760
Total one-off proposals	3,950
Recurring proposals	855
Total proposals	4,805

- 4.5. These proposals achieve further integration of public health priorities with existing County Council programmes and will result in an estimated workforce increase of 3 full-time equivalent (FTE) positions on a temporary basis over 3 and a half years to support the accelerated re-procurement of and letting of Public Health contracts to ensure the best use of resources to optimise outcomes for the residents of Hampshire. These proposed new procurement and project officer posts will support Public Health specialists to run three concurrent procurement exercises each lasting a period of 18 months and including revised needs assessment and planning.
- 4.6. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Public Health for 2014/15.

5. Review of charges

- 5.1. The Public Health budget currently includes no income from fees and charges. The NHS Act (2006) generally prevents charging unless

exempted through regulations. However, charging for training and professional advisory services by the Director of Public Health and her colleagues is being actively explored and income streams developed, for example, selling professional services to other Local Authorities.

6. Workforce implications

- 6.1. The workforce implications of the proposed budget for 2014/15 are set out in the table below. Prior to transfer into the County Council, the Hampshire specialist Public Health staff number was benchmarked as amongst the lowest for the relative workload in the south of England. At the end of 2014/15 the planned workforce for Public Health is 31 full time equivalent (FTE) staff. This compares with the estimate at the end of 2013/14 of 28 FTEs. The increase of 3 FTE relates to additional contract and project management posts to support the re-procurement of Public Health contracts as outlined in paragraph 4.5.

	FTEs
FTE staff as at 31 March 2014	28
Additional Procurement Resource	3
FTE staff as at 31 March 2015	31

7. Transforming the Council to 2015

- 7.1. The public sector has experienced unprecedented change over the last 4 years, following the significant reductions in Government Grant that have been put in place.
- 7.2. The County Council has from the outset responded positively to these reductions, dating back to the 'in year' reductions in Children's Services grants during 2010/11 and then in respect of the anticipated reductions over the 2010 Comprehensive Spending Review period.
- 7.3. The key strands of the County Council's strategy during this period, is to plan well in advance, to implement savings in advance of need and then use the surplus resources to fund the next phase of investments in order to secure even greater efficiencies.
- 7.4. This strategy has enabled the County Council to develop its 2014/15 budget without the need to implement significant savings and means that it has the time and capacity to develop further efficiencies and importantly to transform services with a view to implementing revised models of service delivery for the 2015/16 financial year.
- 7.5. The Transforming the Council to 2015 Programme was put in place last year and is based as in previous years on the pursuit of a range of Corporate Workstreams designed to assist Departments in achieving their 12% savings targets. The programme, includes a 'Joint Working with Health' workstream looking at the potential for Public Health rationalisation

and consolidation across the County Council and also to consider other aspects of working with Health more generally including maximising opportunity from the Integration Transformation Fund provided nationally for Health and Social Care integration. Given the developmental and transformational nature of many of the savings, it is not possible to provide detailed proposals at this stage and further reports to the Executive Member and Cabinet will be brought covering the 2015/16 budget.

- 7.6. Given the scale of the total savings that are being implemented as part of the Transforming the Council to 2015 Programme, the Corporate Management Team will continue to undertake detailed monitoring of the overall programme to ensure that they remain on track for delivery for 2015/16. Regular updates will also be provided to Cabinet.

8. Conclusion

- 8.1. This report outlines the key issues and proposals for the Public Health budget for 2014/15 and sets out the methodologies in respect of developing savings proposals to meet the 12% savings target for 2015/16.
- 8.2. The key risk associated with achieving these proposals is being able to draw on sufficient staffing resource to implement the proposals fully within desired timescales. There is only a small national pool of specialist public health staff with the market competitor of Public Health England offering better pay.
- 8.3. Equality Impact Assessments have been undertaken in respect of the main proposals, and where necessary, appropriate actions have been identified.
- 8.4. The Departmental Management Teams will monitor progress against all savings proposals on a regular basis, and highlight issues with the Executive Member where appropriate. Separate corporate monitoring of savings delivery will be undertaken by CMT and will be reported to Cabinet on a regular basis.

9. Recommendations

To approve for submission to the Leader and Cabinet:

- 9.1. The budget proposals totalling £1.6 million for 2013/14 and £4.805 million in 2014/15 (as set out in Appendix 2)
- 9.2. The revised budget for 2013/14 (as set out in Appendix 1).
- 9.3. The summary budget for 2014/15 (as set out in Appendix 1).
- 9.4. The workforce implications of the proposed budget for 2014/15 set out in paragraph 6.1.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	n/a
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Public Health Budget	<u>Reference</u> 5020	<u>Date</u> 22 July 2013
Direct links to specific legislation or Government Directives		
<u>Title</u> Health and Social Care Act 2012	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Departments have carried out a screening for equality impact on all budget decisions. This work was supported by trained equalities leads and service managers and was approved by Departmental management teams.
- 1.2. This identified that there is unlikely to be an impact on staff or services as a result of these budget proposals. However, each service or programme is individually assessed and should any impact be identified, would therefore have individually focused mitigating actions put in place.
- 1.3. The proposals contained in this paper related to improved, modernised or transformed services to support the Council meet its duties regarding improving and protecting the public's health and reducing inequalities. The processes undertaken include engagement with stakeholders and service users wherever possible.

2. Impact on Crime and Disorder:

- 2.1. The proposals in this report are designed to support community cohesion and the prevention of crime, for example the spend committed to supporting the reduction of substance misuse and domestic violence.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

There are no specific proposals that impact on the County Council's carbon footprint / energy consumption but where service changes are being considered they will take this into account.
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

There are no specific proposals that directly relate to climate change issues but where service changes are being considered they will take this into account.

4. Health Impact Screen:

- 4.1. Given that all interventions are undertaken to improve the public's health, a screen to assess the need for any full health impact assessment is undertaken as part of the development of each programme of work and any implications are then considered.

**Public Health
Budget summary 2013/14 and 2014/15**

	Original Budget 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15
	£ '000's	£ '000's	£ '000's
Service Activity			
Central Public Health	2,181	2,217	2,349
Information and Intelligence	43	39	39
Nutrition, Obesity and Physical Activity	655	1,155	1,810
Drugs & Alcohol	9,291	9,431	9,439
Tobacco	2,857	3,173	3,149
Dental	294	364	180
Children 5-19	3,561	5,361	6,161
Health Checks	839	1,289	1,447
Miscellaneous Health Imp & Wellbeing	94	2,704	4,204
Sexual Health	9,815	10,904	11,534
Infection Prevention & Control		116	116
Total allocated	29,630	36,753	40,428
Unallocated	7,123	0	0
Total government grant	36,753	36,753	40,428

Proposed interventions to improve and protect Hampshire Citizen's health and reduce inequalities

PH Category	Description of Proposal & Objective	One-off 2013/14 £'000	One-off 2014/15 £'000	Recurring from 2014/15 £'000	Measurable outcomes against PH outcomes framework (PHOF) and how will this transform /integrate services / reduce need across Hampshire
Substance misuse	Aligned to the developing substance misuse strategy	140	140		PHOF indicators that demonstrate successful prevention and treatment of drug and alcohol misuse and reduction in alcohol related admissions to acute hospitals.
Nutrition, Obesity and Physical Activity	Community nutrition initiatives and physical activity		150		Improved outcomes in terms of weight management, child development, social inclusion and falls prevention for older people.
Physical Activity	Increasing levels of physical activity in young people		500		Improved outcomes in terms of physical activity, weight management, child development and social inclusion.
Children 5 - 19	Provide capacity and capability to support work across at risk groups with specific schools based interventions with focus on at risk behaviours and the most deprived children and young people	200	400		To support integrated working across the council. Links to Troubled Families and community safety priorities Supports PHSE in schools to tackle risky behaviours – specific evidence based interventions including “teens and toddlers” , reducing teenage conceptions and supporting vulnerable mothers.

Health Improvement & Wellbeing	Supporting children to be school ready		820	To transform services for children and young people in Hampshire.
Health Improvement & Wellbeing	Hitting cold spots		50	Improved Public Health outcomes linked to fuel poverty and social isolation.
Health Improvement & Wellbeing	Support interventions to improve outcomes for both victims and perpetrators of domestic violence	260	760	Improved wellbeing and community safety and reduced hospital admissions linked to domestic violence.
Health Improvement & Wellbeing	Support for community development and social inclusion	1,000	1,130	Improved wellbeing, community safety and social inclusion.
Central Public Health	Additional Procurement resource required in order to support the re-procurement of up to two services concurrently, over the coming three years.			105 Maximised value for money from commissioned services.
Children 5 - 19	School Nursing Services			500 Implement school nursing review to improve outcomes and mental wellbeing of children and young people in Hampshire.
Children 5 - 19	Parenting Intervention			100 To improve school readiness and mental wellbeing and resilience of our families.
Health Checks	Health Check quality assurance support			100 This is to support the establishment of new national quality assurance against this nationally mandated programme.

Health Improvement & Wellbeing	Community pharmacy developments		50	To support development and establishment of healthy living pharmacies in Hampshire.
Total new proposals in this report		1,600	3,950	855